MULTIMEDIA UNIVERSITY

STUDENT ID NO

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FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BAW4644 – STRATEGIC BUSINESS ANALYSIS

(All sections/Groups)

5 OCTOBER 2023
9.00 A.M. – 12.00 P.M.
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of FOUR (4) pages (excluding the cover page) with THREE (3) questions.

2. Attempt **ALL** questions. The distribution of marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

CHARTER BUZZ

Charter Buzz Sdn. Bhd. (CBSB) is a logistic and transportation company that provides services to organisations and private individuals. Founded in the year 2007, CBSB's Board of directors comprises of the following:

Board member's name (age)	Year of appointment to the board	Notable experience
John Mohsen (55), non-executive chair	2013	Formerly served as a Dean at Faculty of Engineering, XYZ University.
Dough Wong (48), Chief Executive	2005	Has served as CBSB's Finance director for 8 years prior to appointment.
Laura Selvan (35), Finance Director	2022	Previously appointed as Special Task Executive who directly reported to the Chief Executive. She has been personally mentored by Dough Wong himself.
Micheal Ling (43), Director of Operations	2015	Has served at CBSB for12 years prior to appointment.
Felix Razak (64), non-executive director	2011	Currently appointed as member of Board of Directors at six other companies.
Bryan Elham (67), non-executive director	2016	Formerly served as a CEO of an insurance company.
Henry Kumar (58), non-executive director	2017	Formerly served as a Minister of Culture.
John Ching (57), non-executive director	2012	Formerly served as CBSB's Marketing Director.
Larry Irwan (61), non-executive director	2014	Currently appointed as a member of Board of Directors as three other companies, one as the chair. He has served as CBSB Chief Executive previously.
Sonny Boon (49), non-executive director	2008	Formerly served as CBSB's Director of Human Resources.

Laura Selvan, being the youngest and newest member of the board, was expected to provide insightful views related to financial matters. Many times, Laura relied on her experience as the Special Task Executive when providing such insights.

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Much of the decisions made in the day-to-day operations of the business are centred on the directors. This is because the Chief Executive believes that the directors know better about the business and its operations. He also believes that a better managerial control can be achieved when core decisions are made at the director level, other than enable the directors to be fully informed at all times. Personally, he dislikes it very much when decisions were made without his knowledge, especially when the decision made was not in line with his mission and vision. He admires personalities such as Bill Gates of Microsoft and Elon Musk of Tesla and he copied most of their ways in his administration.

The operations – GoParcels

CBSB cater the needs of various businesses and individuals by providing transportation and logistics services, using the brand name GoParcels. Although the company's main revenue generation activities are related to transportation and logistics, the company does not own a large fleet of vehicles and drivers. Instead, the company outsource the delivery services to independent individuals who own suitable vehicles. The range of available vehicles include motorcycles, cars, trucks, vans and lorries.

The business operation is supported by a mobile application called GoParcels. GoParcels enable clients to order a delivery, select a favourite delivery agent, and make payments. The application, which also available in the desktop version, enables clients to track the delivery. A client will be able to transact in less than a minute using GoParcels. Upon receipt of delivery order, an agent will be notified by GoParcels. The agent will then need to accept the delivery assignment and carry out the delivery process as ordered. The application also allows clients to rate the delivery agents, view the ratings of others, include the agent in their favourite list and provide tips to the agents if their services are more than satisfactory.

For the past one year, the number of delivery agents has more than doubled, placing more demand on the application's capabilities. The company has also entered a new venture involving passenger transportation during the past six months. This new venture requires a slightly different business model than the one currently utilised by CBSB. The company has also hired a new director and a new team has been developed to manage the new venture.

BiZZ2u implementation

In January 2023, CBSB has purchased an enterprise resource planning (ERP) system called BiZZ2u. The package was highly recommended by Laura Selvan, Finance Director. She made the recommendation based on the users' testimonies posted at the vendor's website. BiZZ2u has been a popular choice among charity organisations. Among the main strengths of the system is that it integrates various functions of the organisation into one seamless system. The board has agreed to subscribe for BiZZ2u after the vendor conducted a demonstration.

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After the agreement was signed and payments were made, the implementation was initiated by first converting the data from the current systems and user training. However, it did not take long for CBSB to realise certain issue with BiZZ2u. Firstly, BiZZ2u was not able to cater for the wide range of reward and pay schemes implemented by CBSB. Secondly, BiZZ2u lacks in terms of user interface. The user interface was not intuitive and multiple steps are needed in order to achieve common tasks. The users made various errors when completing their routine tasks.

Any changes or amendments to the system had to be commissioned from the software developer. Thus far, CBSB has made three requests for amendments, and one has been received. The other two amendments have been pending since April 2023. In August 2023, there was a rumour that BiZZ2u software developer was having major financial strains and may no longer be sustainable.

A task force has been formed to study the implementation of BiZZ2u in July 2023. The taskforce has completed their study in two weeks and recommended that the BiZZ2u implementation should be abandoned.

REQUIREMENT 1

(a) Critique on the effectiveness of CBSB's Board of Directors.

(16 marks)

(b) Evaluate the current management style in CBSB.

(14 marks)

REQUIREMENT 2

(a) Analyse the factors behind the problems of BiZZ2u implementation.

(10 marks)

(b) Determine how the problems could have been avoided by the company in the first place.

(12 marks)

(c) Should the implementation of BiZZ2u be abandoned? As an appointed consultant, write a report to CBSB Board of Directors on your decision, either to support or not support the recommendation by the task force. Your decision must be justified by relevant factors.

(18 marks)

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(d) Due to the issues with BiZZ2u, the BOD has decided to form an internal audit committee. Write a letter to the Chairman on the factors that the Chairman should consider when deciding to establish internal audit in CBSB.

(10 marks)

REQUIREMENT 3

CBSB has recently approached a potential client, Autobots, a distributor of various motor vehicles spare parts. The company has established many branches throughout the country. Clients of the company are automotive workshops across the country. The clients seldom keep inventory of the spare parts. Instead, orders are made whenever a need arise. To ensure their operations are not delayed, the clients often request for immediate delivery of their order.

To fulfil their clients' needs, Autobots has pledged to deliver the parts within the same day. To facilitate the delivery, Autobots relies on in-house dispatch riders for delivery runs at each branch. The company also has a fleet of in-house vans to manage larger items or bulk deliveries. Each month, the company recorded high costs of vehicle depreciation, vehicle maintenance, and delivery staff salaries. The company is also paying for the monthly instalment for the acquired delivery vehicles.

Within a month, there are several delays in deliveries, whereby the same-day delivery could not be made. The main reason for such delivery is delivery staff absenteeism and lateness. The company also found that a number of the delivery staff tend to take more time to deliver the packages. The company have the suspicion that the staff could be slacking on the job. However, the company is quite unwilling to invest in GPS devices because that will increase the costs associated with delivery.

Autobots is willing to hear what CBSB has to offer. Write a business solution proposal for Autobots. In the proposal, include:

(a) An analysis of client needs; and
(b) The ways in which CBSB could fulfil the needs of Autobots.

(20 marks)

(Total: 100 marks)

End of paper.